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SOURCE Sinkiang Jih-pao.

PROVINCIAL USE OF SILVER CURRENCY

Kansu provincial authorities are planning to issue one-yuan silver notes to meet local needs. These notes will be redeemable in silver at face value at the provincial bank. The method of issue is now being considered.

Traders from outside the province have been purchasing silver at high prices on a large scale in Lan-chow and have been shipping the silver out of the province. Such purchases of silver have exceeded 150,000 yuan, and have caused a change in the price of one ounce of gold from 100 silver yuan to 70 silver yuan.

In Hunan Province, because of difficulties in issuing the silver notes approved by the provincial government, it is planned to use Treasury Notes of the Chang-sha Municipal Bank with a unit value of one silver yuan. Treasury Notes up to the amount of 50,000 yuan will be issued, fully backed by silver reserve. The Chang-sha Hsien government is issuing subsidiary notes to facilitate payment of taxes. Business firms in other hsien have been issuing subsidiary notes for some time.

The Szechwan Provincial Government has been seeking the advice of economic experts on local currency issues. A joint commission has been formed to study the matter.

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